

CITY OF CONCORD

NEW HAMPSHIRE

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ECONOMIC DEVELOPMENT ADVISORY COUNCIL

Minutes May 4, 2012 7:30 A.M.

The meeting convened at City Council Chambers, 37 Green Street, Concord, NH.

PRESENT: Allen Bennett, Tim Bernier, Christopher Carley, Byron Champlin, Walter

Chapin, Mark Coen, Peter Cook, Larry Gloekler, Brad Hosmer, Jan McClure,

William Norton, Keith Nyhan, Dan St. Hilaire, and Claudia Walker

ABSENT: John Hoyt, Stephen Heavener, Connie Rosemont

STAFF: Carlos P. Baía, Deputy City Manager – Development

Matt Walsh, Assistant for Special Projects

GUEST: Kathy Temchack, City Assessor

1. MINUTES FROM THE APRIL 6, 2012 MEETING

Brad Hosmer made a motion to accept the minutes as submitted; seconded by Byron Champlin; motion passed unanimously.

2. RE-ZONING REQUEST FOR 15 INTEGRA DRIVE (Council referral)

Carlos Baía summarized the re-zoning request and the applicant's stated purpose to allow for the development of a 350,000 square foot warehouse. Mr. Baía also noted that the property owner's broker had indicated that the project would generate 150 jobs. Mr. Baía explained that he had not been informed by the owner or the owner's agent who the end user would be.

Mr. Baía illustrated on the aerial map where the new zoning line was proposed to extend. He indicated that Planning staff and the Community Development Department both supported the proposed re-zoning and that the Planning Board had unanimously recommended approval.

Mr. Baía also noted that the property owner, the McCarthy family, has informally presented the City an alternate plan should this warehouse project not materialize that would result in the development of 4 flex/warehouse buildings in phases up to a total of 120,000 square feet. Mr. Baía indicated that this project would also need the re-zoning to work effectively.

Councilors McClure and Coen asked about impacts on the residential neighbors. Mr. Baía explained that the nearest houses are over 1,300 feet away through woods from the area in question.

Councilor Nyhan asked about traffic impacts. Mr. Baía noted that a project of this magnitude would likely trigger a traffic study that would need to be reviewed by the City's traffic engineer. He also explained that impact fees would be assessed if applicable. Mr. Baía stated that the recent addition of the traffic signal at the Manchester St./Integra Drive intersection facilitates the viability of a project of this scope.

Mr. Baía explained that a City Councilor has conveyed a concern by a resident of Airport Road about truck traffic. Mr. Baía indicated that as he did not know the identity of the company, he couldn't with certainty determine where and how many vehicle trips would be generated. However, the details known thus far and the location of this site would seem to imply that vehicles would be headed primarily to Exit 13 at the bottom of Manchester Street.

Tim Bernier noted that project impacts will be worked out as part of a site plan application.

Mr. Baía explained that based on a broad spectrum of value depending on the final type of warehouse operation, the project would likely have an assessed value ranging from a minimum of \$11,550,000 to over \$17,500,000.

Councilor Nyhan motioned that EDAC recommend approval and stated that he understands the need for confidentiality on the part of the interested party at this point, however, he anticipates that the City Council will want more details as to the end user by the time of the public hearing. Motion was duly seconded. Motion passed unanimously.

3. PROPERTY ASSESSMENT UPDATE

City Assessor Kathy Temchack explained the City's voluntary commercial property owner survey. She indicated that 1,000 letters were sent approximately one month ago. To date, there is about a 10% return rate.

Peter Cook arrived at 8:05 a.m.

Ms. Temchack indicated that historically, Concord's return rate was about 45% making it one of the highest in the state. She noted that in an effort to maintain confidentiality, the City destroys the forms once the data is inputted.

Ms. Temchack illustrated the importance of this process by noting that commercial properties make up 43% of the overall land value of the city. 27.5% of the city's land value is exempt.

Chairman Carley inquired as to the objective of this survey. Ms. Temchack explained that it helps to set income and expense information for the properties. The City

Assessing office places this information into spreadsheets to provide them with area values.

Councilor Coen asked if someone answering a survey in one year would find that their assessment increased in the subsequent year due to the information provided. Ms. Temchack answered that it could happen but that the information is meant to provide an area calculation so it would more likely depend on multiple inputs.

Councilor Nyhan asked what incentive the property owners had to return the form. Ms. Temchack recognized the limitations of the form and noted that for years the state's assessors have unsuccessfully attempted to have legislation adopted that would make the form compulsory for commercial property owners that wanted to reserve the right to appeal their value. She noted that other states do this.

Councilor Nyhan inquired if the time spent on this effort was worth it. Ms. Temchack indicated that without this information she would have to rely on sales/cost approach and with Concord's market, this would be a tremendous challenge.

Tim Bernier expressed that if people aren't responding it's because of a lack of trust in government. He advised that the City Assessor's Office would need to overcome that to have success with this survey. He also added that creating legislation forcing property owners to respond would not foster trust in government.

Councilor St. Hilaire felt that because we do this annually people are assuming that the City is using the information to assess their specific property.

Byron Champlin recommended that the City offer an incentive for people to respond. Peter Cook felt that the only real incentive on the part of property owners is the notion that if they respond they might be able to reduce what they perceive as an overassessment.

Mr. Cook explained that he recently received the form and was frustrated by the need to re-enter the information which in his case is consistent from year to year. He did not realize that the City disposed of the information each year.

Councilor McClure observed that people do not believe the City disposes of the information.

Councilor Nyhan departed the meeting at 8:30 a.m.

Mr. Bernier noted that the formulas used in assessing property are too complex so if a property owner is unsure as to whether the survey will hurt or help their value, he/she is better off not returning it.

EDAC Meeting Minutes May 4, 2012 Page 4 of 4

Bill Norton explained that in larger communities, another approach is to use a "benchmark survey" where an assessor will take 10 commercial properties, 10 multifamily properties, etc. and identify what the trends are.

Mr. Norton acknowledged that in Concord there are limited arms length sales to use to ascertain value.

Ms. Temchack thanked EDAC for their input.

4. OTHER BUSINESS

Councilor Coen inquired as to the advantages of having the State prison in the city. Mr. Norton explained that there would be a significant property to redevelop should the prison leave.

Mr. Norton also expressed that if the prison closes it won't have an impact on the tax base as it doesn't pay taxes now. Mr. Baía explained, however, that if the State abandons the prison and lets the buildings deteriorate it could have a negative impact on the values of the properties in the vicinity of the prison.

Councilor Coen alluded to the undervalued leases in the DOT facility on Stickney Avenue. Councilor St. Hilaire explained that the State won't touch this facility in terms of redevelopment until they do the I-93 widening program.

5. ADJOURNMENT

Meeting adjourned at 8:50 a.m.

Respectfully submitted,

Carlos P. Baía